The MORTGAGE BANKER

VOL. 5—No. 6 MARCH, 1944

For the good of your business today and in the postwar tomorrow, you can't afford to miss

The First 1944

Mortgage Clinic

sponsored by the

MORTGAGE BANKERS ASSOCIATION OF AMERICA

Drake Hotel, Chicago *March 2 and 3, 1944*

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This is the last call for MBA's first 1944 Mortgage Clinic — the one which a majority of our members will find most convenient to attend because of location and transportation. Members have already received the hotel reservation card and those planning to attend must act without further delay. We are working closely with the hotel to insure satisfactory accommodations for all who want to attend but you cannot wait until the last minute under present-day wartime conditions.

We can give you no assistance on your railroad transportation but you realize the absolute necessity of making reservations early both coming and going. The Clinic itself will likely be the most practical meeting of this kind we have ever held. The emphasis is entirely on your every-day problems now and those you will likely encounter most frequently in the postwar period. You have just received our tentative program. We think your attendance will be a good investment in time and money. Better plan today to be with us.

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Postwar Mortgage Problems

What are the postwar problems of mortgage bankers? Here are some which our members have submitted

MAYBE the postwar planning season opened too soon. Maybe that is why so many people today say they are becoming a little weary of postwar planning—weary before much real planning has been done. No matter what you think about postwar planning, as a mortgage man you will be interested in what other mortgage men are thinking about the period after the war, what business will be available and what rates, terms and conditions will prevail.

Late last year we addressed a questionnaire to MBA members, one part of which sought to learn what subjects of a postwar nature mortgage men ought to be thinking about and planning for after the close of the war.

The answers are enlightening; but the most significant thing about them to us was that they were mostly very practical ideas. In this article we have collected some of these opinions. We saved this material for this particular issue with the thought that it might be useful as a guide for directing your pattern of thinking during the 1944 MBA Clinics.

The first group of opinions can be disposed of quickly because they are the very general views. For example "back to private enterprise," "let the people rule," "cut down on government agencies," etc. You know the others and have heard them expressed hundreds of times; so we will just pass on with the comment that MBA members are for more private enterprise and less government interference, are alarmed about the public housing trend and generally believe that as citizens we must continue to fight for those things which mean the American way of life in our field.

Now let us look at some of the more practical matters which our members say we ought to be seriously concerned with now.

One is construction loans—more orderly and more consistent procedure and more cooperation in handling this type of financing rates high on the list.

What We Will Build

The greatest post-war construction is going to be in single-family residences—as if you didn't know!

Our questionnaire asked where the greatest post-war construction would occur and the votes from members in 100 cities in 40 states were, without exception, for single-family residences. As to duplexes, multi-unit and large apartment buildings, they generally hesitated to express definite opinions or anticipate the trend. Many expect important building activity in all of them, but generally speaking, do not know just what volume to expect or when construction of this kind will begin. But as to single-family residences, they say it will be in substantial volume "as soon as the lid is off."

The most significant finding in the report was that more than half of our members expect some important building of privately-financed rental housing projects after the war. This opinion is not a strong one since only 52.5 per cent hold to this view; but it is considered significant in view of the fact that 88 per cent of our members think the federal government will also seek to sponsor a vast public housing program financed by federal funds.

(Those who think that way will have their viewpoint broadened at the Chicago Clinic in March where we have scheduled a special program on the subject.)

The colored housing problem is very important say many members, and scores of them say slum clearance and postwar building costs should be receiving our careful attention. Many are alarmed about costs because of the increased power of labor.

We ought to be doing more than we are to secure better mortgage and foreclosure laws, say others, and this opinion is one which *The Mortgage Banker* has consistently expressed. Of course we should—but it's a tough problem to arouse national interest in.

We should certainly be doing more to secure *voluntary* but *effective* codification of mortgage practices. There's a big order and one which would certainly be a great step in better mortgage lending. Scores of MBA members rate it our top problem for the postwar era.

Then there are ideas such as an independent central clearing house for the exchange and sale of all types of mortgages sponsored by mortgage bankers. And another similar idea is that all cities establish central appraisal bureaus for all lenders. This isn't new of course and many lenders think it has possibilities.

Others feel that what we might be doing now of most benefit to us later is working for simplification of procedure and elimination of delays in purchasing homes.

Appraisal study ranks high with members in their thinking about the postwar period. Many believe we should be studying plans for "insuring high percentage loans so that FHA and other government bureaus can be eliminated."

Other members want to know what percentage of war workers will remain in the present war centers? How long will the reconversion period be? What will be the effect on real estate?

Elimination of fees to builders is much in the minds of MBA members. So is prefabricated construction. Members are wondering about this type of building, especially in connection with 20-year loans. One has suggested more rapid amortization during the first ten years of a 15 to 20-year loan.

More thorough study of servicing than has been done heretofore is suggested by a great many. They think we are not being fairly compensated now and that what is needed is a more realistic approach to the servicing matter. That's another big order.

A uniform plan under which life insurance companies can buy long-term monthly loans on a regular B and L basis is another suggestion. The same man thinks we need "control of the Federals to avoid foreclosures resulting from postwar conditions." But suggestions of that sort were few.

Another says that what is most needed is a careful survey of each community to determine actual housing needs and thus prevent over-building. There is merit in the idea but it represents a big undertaking.

Then there are the ideas of this kind:

"Get FHA back in line as an insuring agency for approved mortgagees; otherwise true mortgagees will be sitting on the sidelines watching FHA become the No. 1 'public houser' backed by a few large investors known as 'private capital.' "

"We need insuring of farm loans in a more practical manner than is provided by present FHA regulations."

Others frequently mentioned by our members are the threat of more restrictive action from labor unions, better sub-division planning, how to eliminate real estate men from brokering loans, real estate tax reform, elimination of premiums in acquiring loans and the effect of a permanently high income tax on the sale of $10,000-$30,000 homes.

Others want to know how "little" capital can best be used, how we can set up reserves for servicing loans during a depression period, how we can meet the postwar pressure for more public housing, how to determine a standardized procedure in dealing with the accrued debts of servicemen and what methods might be used to secure greater standardization of lending methods by all mortgage lenders.

Another wants to know about establishing "some kind of banks" which would discount mortgage loans, but he is alone in making this suggestion. Mortgage men, if we remember correctly, have always opposed this idea which isn't new and has been suggested in the past by interests seeking extreme liberality of lending conditions.

Another member advocates a "privately regulated, appraised and insured system of mortgage lending under state banking departments. Extend insured loans to business and farm properties. Eliminate the Frazier-Lemke Act and make FHA insurance cover losses only."

And then from a Southern city comes an opinion which is fairly typical of the feeling in those cities from which we have received the most complaints about competitive conditions. This member writes that the "elimination of governmental competition in the mortgage business is needed. If the Home Loan Bank system is to continue as a permanent institution (and it is set up as such) its rules and regulations for the supervision of federal savings and loan associations and like organizations under their control should be amended so that their supervision would more closely coincide with conservative mortgage principles.

"If federal agencies are to continue in the mortgage business, regulations should be enacted to give all mortgage interests equal opportunities of subsidies, guarantees, etc."

So there you have it, a fairly composite picture of the principal ideas mortgage men are thinking about now and which they say we all ought to be thinking about with an eye on the postwar era. Many members also mention the devaluation of the dollar, the mounting government debt and a score of more similar matters with which the whole country is naturally concerned. We haven't mentioned them here because these observations were only intended to reflect a cross-section of opinion of MBA members of future mortgage problems.

The next development will be to see how many of these ideas come up for discussion in the 1944 Clinic.

Our Troubles

The article beginning on page two is intended to reflect the composite answers of more than 350 MBA members in 100 cities in 40 states as to what are the principal problems which mortgage men ought to be thinking about now, with an eye to the postwar period.

We also asked these members what were their principal problems at this time. Here are a few:

Competition from building and loan associations and banks, lack of loans, portfolio raiding, high sales prices, excessive appraising and government competition were the most frequently mentioned.

Now let us look a little closer at several questionnaires.

"Lack of volume can't be avoided but inadequate compensation can be cured by proper cooperation."

"Competition from tax-free institutions such as the saving and loans, credit unions, etc."

"Unscrupulous practices are developing because of the surplus of funds available and shortage of loans. Raiding of portfolios is of prime importance today."

"Lack of new loans maturing in 3 to 4 years as before."

And now for some more present-day complaints: Ever increasing number of brokers and loan correspondents, unethical competition, unjustifiably high appraisals by inexperienced appraisers, prepayments, inability to pay employees adequately, the problem of keeping employees, the demand for fees by borrowers, falling interest rates (what new lending field can we enter? he adds), the time and cost in preparing loans, the tendency of many mortgage bankers to pay premiums to borrowers, etc., etc.

The Kicks About FHA

The virtues of FHA are getting adequate attention. Let's look at the other side for a moment

BECAUSE FHA seems to have established one of the best records of all New Deal agencies and now enjoys great favor with congress and considerable prestige with the public, it naturally is of more "news interest" to look at the agency's faults than its virtues since the latter seem to be pretty well appreciated.

That idea was the basis for an article in *The Mortgage Banker* for December in which we detailed the principal objections to FHA as we had heard them from MBA members. In our recent survey we also asked members to cite their principal objections to FHA.

The answers in general were about the same as we had noted in December—slowness in servicing applications, arbitrary personal decisions, lack of authority with the personnel, the fee system, more insurance premium than would be required under private management, interest rate too low, red tape, politics, hook-up with state and local politics, no protection against refinancing, too many forms to file, do not require notices of default soon enough, etc., etc.

These are some of the principal complaints, the most important of which is the slowness of processing.

Now let us look at some of the questionnaire comments. Here's a Texas member who declares:

"FHA has been and can continue to be an institution of great benefit to our citizens. It must be noted, however, that all changes made in FHA rules and regulations have liberalized its provisions for the benefit of the mortgagor. Constant pressure is being put on FHA officials by various interests to further liberalize their rules and regulations; and this practice, if successful, must ultimately produce a condition which will destroy the solvency of the FHA insurance funds. My chief objection to FHA is that it is not free from political influences.

"Because of the influence of FHA, most loans have been written for larger amounts, longer terms and lower interest rates than ever before. It is my opinion that a 4½ per cent interest rate is inadequate payment for the use of money for a 15, 20 or 25 year period on an 80 or 90 per cent loan. My second objection to FHA is that the interest rate charged is too low for the type of loans made, and my suggestion is that FHA loan interest rates should vary in accordance with the loan ratio and amortization terms.

A Private FHA? MBA Members Think Not

If you answered our recent questionnaire, you will recall that we asked whether you would like to see a privately-organized and privately-operated insurance company to compete with FHA. The answers, surprisingly enough, were about equally divided, with a slight edge to the "yes" votes. (For some reason or other, we had had the idea that a comfortable majority would say "yes" to this proposition.)

Then we asked "Is there reasonable possibility of this being accomplished?" Apparently there isn't, according to our members, because of the 350 who replied, 172 said "no," 83 said "yes" with the rest non-committal.

But that was not the end. We asked "where the capital would come from." About the only answer we got to that was "the insurance companies."

"FHA rules and regulations permit unrestricted prepayment without penalty. This is an unfair provision found in no other lending practice and constitutes my third objection to FHA. The rules and regulations of FHA should be amended to give more protection to the lender."

This member's opinion reflects pretty well what many others said in their replies.

And from an Alabama member comes this thought:

"I still believe the FHA or any other third party in any transaction is an expensive load on a commission broker. If all the added expense of time and money of mortgage bankers, mortgagees and realtors, occasioned by the necessity of dealing with this third party, could be even estimated, I am sure it would prove that the insurance of mortgages is not beneficial to the mortgage loan and real estate professions. That may be a strong statement but I, individually, am still of that opinion. Such a statement is not in itself an adverse criticism of the FHA.

"Time required by FHA to approve any application is too long. All categories should be considered simultaneously instead of one at a time, even though FHA appraisal fee had to be slightly increased."

A Louisville member thinks "it is un-American for FHA to, in effect, become a competitive residential loan agency. It is fine for FHA to insure the *first* loan on a *new* residence which accomplishes all the necessary governmental help to building. No other loan should be insured on that house or any other existing structure by FHA."

Another member would like to see monthly payments lumped to mature each quarter to save bookkeeping—and he probably could get a lot of seconds to that motion, particularly during these times.

Another member thinks FHA ought to change its name to Federal Mort-

(*Continued on page 6, column 2*)

A Senator Speaks

And he makes it pretty plain that he doesn't like public housing any better than we do

By ALEXANDER WILEY
United States Senator from Wisconsin

MANY people feel that the public housing experiment has proven a mistake because it has utterly failed in its first objective—namely, clearance of slum areas. It has involved the expenditure of millions of dollars of taxpayers' money with but little real gain. The housing now owned by the government should be disposed of to private enterprise. We shouldn't have government subsidies for public housing construction or for public housing projects. Realtors and property owners should unite in opposition to the use of public funds for such enterprises. I am much concerned with that attitude of mind which has been bred into our people during the last decade—an attitude of depending upon Washington for help and of looking to Washington for aid instead of an aggressive attitude of "Let's buckle down and do this job ourselves, in our own way."

The threat of inflation contained in our abnormal national income of 145 billion dollars requires immediate action. One means of meeting the situation is to produce more civilian goods to drain off some of this vast reservoir of purchasing power. I suggest the two following remedies:

1. Material should be allotted to the tooling industry so it can begin to tool up the industry of the nation.
2. Many lines of civilian goods could be increased without injury to the war effort. Such production would operate to stem the economic pressure against the diminished pools of civilian goods.

The primary cause of inflation is "too little" produce and "too much" purchasing power. To meet the threat, the planners in Washington and those who have to do with the allocation of strategic materials, should immediately give consideration to this suggested antidote to inflation.

At the close of the war, the government is going to have on its hands more real estate than it knows what to do with. It will have taken from private owners more than 20,000 city lots, and better than 10 million acres of farmland. On this land it will have about 20 billion dollars worth of installations and buildings, ranging all the way from one-room trailers to mammoth factories. So vast and varied are its holdings, that no one has ever been able to count them.

So many MBA members wrote to comment favorably on the recent Milwaukee speech of Senator Wiley of Wisconsin that we asked him for a copy of the full text. The extracts of greatest interest to mortgage bankers will be found here.

A big proportion of that real estate will be up for sale, and its disposal is loaded with economic and political dynamite. If dumped on the market, it can literally wreck real estate values in many communities, and cause tremendous losses to the government. On the other hand, its retention for a long period of time will prevent the return of land and equipment to profitable business and farm use, and impede local civic construction programs. In addition to that, the holding of these vast amounts of property by the federal government will keep much-needed taxes from flowing into the coffers of State and local governments.

Many of these plants and buildings are convertible to civilian use; and there will be stiff fights between those who want government operations expanded, and those who want them curtailed. Private real estate operators have long objected to Federally owned projects. Many localities may have to choose between deflation of real estate values because of knockdown sales of government property, and the loss of taxes through continued government ownership.

Vast acreage of farm lands now occupied by Army camps should be returned to food production. The Administration may want to sell that land to lower-income groups at set prices. Congress may feel it should be sold to anyone who wants it for whatever price it will bring.

Then, there's the matter of putting a fair value on this government property. During wartime, construction costs have been high. The postwar value of plants and improvements will, in many cases, be only a fraction of their original cost. Someone will have to decide the current market value of it, and that means deciding what loss the government will take.

The method of sale is also open to argument. Some of the issues involved are those of negotiated bids, closed bidding to keep speculators out; some think these disposition proceedings should have all sorts of safeguards, such as mandatory requirments for advertising bids, etc. Others feel the property should be sold more quickly.

There is also the question of setting up a separate organization to liquidate government holdings, or of permitting each government agency to sell the property it has acquired.

BRIEFLY TOLD: Wallace Moir, MBA governor, Los Angeles, has been named chairman of the Los Angeles Chamber of Commerce Life Insurance Committee, the first time an "outsider" has been named to this post . . . not many mortgage houses (in fact are there any?) have completed 100 years but it is true of Dovenmuehle, Inc., of Chicago. Their anniversary was last month. The firm was founded in 1844 when Chicago had less than 9,000 people.

☆ People and Events ☆

W. H. Williams, farm loan department, Jester & Sons, was re-elected president of the Des Moines MBA at their annual meeting and L. M. Fryer, assistant cashier, Iowa-Des Moines National Bank, was named vice president. A. E. Cass, investment department, Inter-State Business Men's Accident Company, was named secretary and treasurer to succeed Raymond G. Miller.

Byron T. Shutz named president of his firm

Byron T. Shutz, former MBA president and chairman of the Association's postwar planning committee, has been elected president of Herbert V. Jones & Company and Herbert V. Jones Mortgage Corporation. He succeeds Herbert V. Jones who becomes chairman of the board. Mr. Shutz was formerly executive vice president. W. P. Lyman and W. J. Campbell have been elected vice presidents, Paul M. Jones, secretary and treasurer, and Gordon Letchworth (now in military service) was named assistant secretary and treasurer. Paul M. Jones is president of the Kansas City chapter.

Detroit MBA president names new committees

Detroit MBA has announced its committee assignments for the year. They include *FHA Committee:* Robert M. Kee, chairman, and James T. Barnes, Heyward T. Denyes, Douglas Fuller and Leslie N. Ward. *Program Committee:* O. B. Martin, Chairman, S. C. Turner, Vice Chairman, Oscar M. Onstad, Joel K. Riley and Clarence E. Runkle. *Legislative Committee:* Clarence H. Dill, Chairman, Paul F. Kreger and J. A. Snyder. *Ethics and Arbitration Committee:* Donal Jenkins, Chairman, Chas. P. Besancon, Walter J. L. Ray, Geo. T. Shapland and Alfred F. Taylor. *Publicity Committee:* William A. Howe, Chairman, Edward F. Lambrecht and Herold G. Woodruff. *Membership Committee:* Roscoe C. Leach, Chairman, James R. Johnson, John W. Matson, T. W. Thompson and A. R. Trahern.

The Texas MBA loses its secretary to Uncle Sam

The Texas MBA's convention planning committee met in San Antonio and voted to hold the next annual meeting in that city April 18th and 19th, according to an announcement by Tom E. Sargeant, Dallas, secretary and treasurer. This is the last Chapter announcement Mr. Sargeant will be making for a while because on February 19th he reported for service in the army. T. A. Blakeley, Dallas, is taking over his duties.

According to Sargeant, the most pressing problem of Texas lenders at the moment is excessive loans. They are "getting higher and higher," he writes.

KICKS ABOUT FHA

(*Continued from page 4*)

gage Insurance Corporation. He thinks that about one-half of the borrowers think FHA furnishes the money.

A Tennessee member's complaint is: "FHA practically dictates residential loan policies here. Its influence is practically dictatorial in establishing loan policies by either approving or disapproving localities in or adjacent to the city for development; this is also true as to type and cost of dwelling to be built.

"It practically establishes ground values as well as values generally on real estate—since so many people here believe the FHA appraisals to be an accurate reflection of what real estate should sell for—rather than letting values be established in the customary manner."

And a Wisconsin member declares that his objection is entirely "as to operational functioning." He points out that "the processing time is too long and involved. There is a lack of funds on the part of FHA for educational activity. State directors continually complain of the lack of funds for special communications and informational data. Lack of cooperation on the part of inspectors and architectural department with builders exists. Arbitrary and unreasonable requirements rather than cooperative directional activity are important."

The Chapter's board of directors met recently and voted to employ counsel to assist an abstract company in its litigation with the Dallas Bar Association. The suit was brought by the Bar against the abstract company and could result in members of the Bar being given a monopoly in drawing papers in connection with real estate transfers. The first decision was considered detrimental to mortgage bankers, real estate men, banks and abstract companies. The Supreme Court will shortly hear the case.

Texas MBA now has 124 members.

Dallas MBA is against more public housing

The Dallas MBA recently voted a resolution opposing more public housing projects in Dallas. Excessive loans represent the leading problem of Dallas lenders, Tom Sargeant tells us.

At recent meetings members heard an address by Arthur A. Smith, head of the economics department of Southern Methodist University on postwar economics and another by Jas. B. Cheek, leading Dallas architect, on postwar building trends.

Lenders are appraising conservatively in Detroit

Detroit is one of those cities where practically no trouble over excessive appraisals has been reported. At a recent meeting, members agreed that lenders will be conservative in their appraisals this year. The meeting was an open forum discussion on various 1944 mortgage problems.

A quick start for home building after the war, with prices at about their present level for at least three to five years, was the consensus of opinion.

The discussion was in charge of Walter Gehrke. William A. Howe said the demand for the number of land contracts and mortgages which will need refinancing this year will compare favorably with 1943. Raymond M. Foley, State FHA Director, discussing the priority situation, said the number of new houses in the Detroit area not rented or sold is low.

(*Continued on next page*)

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March, 1944

MBA President Herold G. Woodruff said if the experience following World War I repeats itself, as he believes it will, prices will continue high for new building after this war is over. The minimum rate for money will probably be 4 per cent on preferred risks only, he said.

Hubert R. Haeussler said he believed there will be a good market for homes in the $7,000 to $12,500 range.

Allen B. Crow said he did not anticipate any difficulty in obtaining materials after the war. The lumber industry, he said, can convert quickly and its principal present shortage, manpower, will not be a problem.

Detroit MBA members have subsequently heard Clyde Shute, assistant vice president, F. W. Dodge Corporation, in an address on the postwar construction market.

Larry Mahan will speak before Minneapolis MBA

MBA Vice President L. E. Mahan of St. Louis will be the principal speaker at a meeting of the Minneapolis MBA on February 23rd. Robert H. White, Chapter president, will preside.

MBA Directory being printed; members will get copies soon

Never before has the MBA national office been so plagued with delay in issuing a service to members as was experienced in publishing the new *Directory of Members*. Originally planned for publication not later than the first of the year, the final proofs were only approved the middle of February. The book should soon be on the desks of our members. The reason for all this has been the manpower shortage in the printing trades in Chicago.

Despite the delay, the *Directory* has been brought up to date and we think members will find it of greater value than the issue of two years ago.

It lists all member firms, shows all mortgage officers and department heads, type of loans made, territory in which the firm operates, when organized, outlets for loans and all information which anyone would want about a member firm.

In addition, it is cross-indexed and contains a list of all individuals mentioned in the book—more than 2,500 in all. These individuals are listed as to name and firm so it will be easy to tell at a glance what firm any member is with and the location of the company.

The *Directory* is more valuable than ever as far as the information it contains about our institutional members. Their listings show the amount of mortgage holdings as of December 31, 1943 (the unfortunate delay was helpful in this sense in that we were able to bring this up to date).

Holdings of city and farm loans of these institutional investors is also given and the former classification is broken down between conventionals and FHAs.

A new feature of the publication is a table which lists all institutional investors who are MBA members. This tabulation shows at a glance exactly which types of loans each is interested in—multi-dwelling, single-family, church, theatre, garage, etc. This should prove helpful in determining quickly where the market is for any type of special purpose loan.

Where the loans went last year

The decline in real estate mortgage financing that began in 1942 was almost halted in 1943. Total recordings of non-farm mortgages in 1943 amounted to $3,861,000,000. This compares with $3,942,000,000 for 1942 and $4,732,000,000 in the record year of 1941. In 1943, the recordings volume was especially heavy in the last six months.

Because of an increase in mortgages to finance the sale of existing properties, the slight decrease in recordings from 1942 to 1943 did not parallel the sharp drop in home building which was a consequence of war-time restrictions.

Savings and loan associations maintained their lead over other types of financial institutions in the proportion of all recordings during the year, increasing their ratio slightly to 32 per cent. For banks and trust companies the proportion was 19.5 per cent, compared with 22.5 per cent in 1942. Mutual savings banks retained their position with 4 per cent. The ratio for insurance companies declined from 9 per cent to 7 per cent, reversing last year's trend.

For the fourth consecutive year a rise took place in the proportion of mortgages recorded in the name of "individuals"—from 16 per cent in 1940 to 22 per cent in 1943.

The number and amount of mortgages of less than $20,000 recorded in 1943, by types of lenders, are:

	Number	*Amount*	*Per Cent*
Savings and loan associations	423,355	$1,237,505,000	32
Insurance companies	56,524	279,866,000	7
Banks and trust companies	219,910	752,228,000	20
Mutual savings banks	38,765	152,369,000	4
Individuals	376,049	857,681,000	22
Other mortgagees	159,390	581,752,000	15
Totals	1,273,993	$3,861,401,000	100%

Foreclosures last year were lowest on record

Declining for the tenth successive year, non-farm foreclosures in the United States totalled 25,699 in 1943 as against 42,331 foreclosures in 1942 and 252,400 during the depression in 1933—and is the lowest total on record.

At the year-end the foreclosure index maintained by the Federal Home Loan Bank Administration was only 13.6 (1935-1939 average equals 100).

Worth Reading: Mr. Fahey's complete report on what he suggests be done about HOLC. Also NHA's recent abstract of several associations' ideas about postwar housing and urban development. Do you want copies?

CLINIC SUBJECTS AND WHO SPEAKS ON THEM

Members have received the tentative program for MBA's first 1944 Mortgage Clinic in Chicago March 2 and 3. It is hoped that they agree with the Association's officers that it is a good set-up and one that should yield a handsome return for the progressive mortgage man looking to the future.

The first morning's session is on construction loans—the various types, different methods, what to do and what to avoid, hazards and what future changes we might expect in this type of financing.

Handling this subject are O. L. Rieder, assistant vice president, The Cleveland Trust Company, Cleveland; Earle Vincent Johnson, vice president, Republic Realty Mortgage Corporation, Chicago; William M. West, president, Colonial Title Surety Company, Philadelphia; and Ralph C. Becker, president, Lawyers Title Company, St. Louis.

That afternoon we are looking into the matter of submitting loans on investment real estate. That ought to interest just about everybody because if you haven't done much of this type of business in the past you probably will in the future.

We have three highly-regarded life company men for this: *Apartment Houses*—Burlye B. Pouncey, assistant manager, mortgage department, The Guardian Life Insurance Company of America, New York. *Business Property Without Chain Store Leases*—Frederick J. Eberle, second vice president in charge of mortgage loans, The Connecticut Mutual Life Insurance Company, Hartford. *Business Property With Chain Store Leases*—Felix M. Davis, supervisor, conventional mortgages, The Mutual Life Insurance Company of New York.

On the second morning we have a forum by members of the Chicago MBA who have been studying price changes in recent years for various types of real estate. About 12 Chicago MBA members have been hard at work on this study and their results will be presented by George H. Dovenmuehle, Dovenmuehle, Inc., Chicago; Henry F. Fisher, Equitable Life Assurance Society of the United States, Chicago; Herman O. Walther, Bell Savings and Loan Association, Chicago; and Earle Vincent Johnson.

Last afternoon session will be given over to hearing Curt C. Mack tell us what is new in FHA, its postwar plans, the processing problem and the recent WPB order P-55-C. We've heard Mack before and, as head of FHA underwriting, he is one of the most important men in Washington from our standpoint.

One last word: get that hotel reservation in at once and get that railroad ticket.

President's Report to the Members

There are many important matters in the mortgage field at this moment which I would like to discuss in this month's space, such as Mr. Fahey's HOLC report, but a complete discussion of most of them will depend partly on possible action to be taken at the Association's meeting in Chicago March 2 and 3.

Consequently I will mention only two items in this report. The first is the Clinic. As you know, our first Mortgage Clinic is to be in Chicago March 2 and 3 at the Drake Hotel. I believe it will be one of the most worthwhile meetings MBA has sponsored. The Clinic and Conference Committee has acted wisely, I think, limiting the subjects for discussion to only those of the most practical nature. You have received our program and I hope you concur with us that it is a good one. Note the subjects and speakers in column one of this page. In the meantime don't delay in making your hotel and transportation reservations.

The second item this month is our proposed appraisal division. E. D. Schumacher, president, United Service and Research, Inc., Memphis, and an MBA past president, is serving as chairman of this committee and is well along in his preliminary plans looking toward the eventual organization of such a group within our Association. Other members include R. C. Oberman, vice president, Mercantile Commerce Bank and Trust Company, St. Louis; Aksel Nielsen, vice president, The Title Guaranty Company, Denver; Frederick P. Champ, president, Utah Mortgage Loan Corporation, Logan, Utah; and A. A. Zinn, vice president, The State Life Insurance Company, Indianapolis.

Thus we have a splendid group of men back of this effort; the next move is to determine what sort of division this will be, who will be eligible for membership and what will be its objectives.

It has been suggested that two classes of members be included—senior members, those appraisers with a background of considerable experience, and junior members, those comparatively new in the field. Another important factor in the plans is to determine where our principal efforts will be directed. We all know of the excellent work being done by the two leading appraisal groups; I think that there is also a great need for additional effort by a group which will more fully reflect the interests and viewpoints of the mortgage lender. Just how we will direct our effort will depend on the decisions arrived at during the first meeting of our Committee in Chicago.

The Committee would appreciate your serious consideration of this division and the chairman requests that you write him giving suggestions pertaining to the formation in order that they may be discussed by the Committee at the first meeting at which time a report is to be rendered; you are urged to attend the first 1944 Mortgage Clinic and I am confident you will find the discussions most interesting.

President, Mortgage Bankers Association of America
Detroit, February 16, 1944